



Journal Website:  
<https://theusajournals.com/index.php/ijmef>

Copyright: Original  
content from this work  
may be used under the  
terms of the creative  
commons attributes  
4.0 licence.

## DEVELOPMENT OF SMALL BUSINESS IN THE REGIONS OF UZBEKISTAN: FEATURES AND TRENDS

Submission Date: July 15, 2024, Accepted Date: July 20, 2024,

Published Date: July 25, 2024

Crossref doi: <https://doi.org/10.37547/ijmef/Volume04Issue07-04>

**Popova Nigina Aleksandrovna**

Department "Management", Fergana Polytechnic Institute, Fergana, Republic Of Uzbekistan

**Rustamova Maxfuza Maxmudovna**

Scientific Supervisor Department "Management", Fergana Polytechnic Institute, Fergana, Republic Of Uzbekistan

### ABSTRACT

The article "Features of the development of small business and private entrepreneurship in the regions of the Republic of Uzbekistan" explores important aspects of the development of small business. The historical stages of development, peculiarities and challenges faced by small enterprises in various parts of the country are discussed. The impact of the state support policy on small businesses is analyzed and examples of successful practices from various regions are given. In conclusion, conclusions are drawn about the importance of small business for the economic development of Uzbekistan and recommendations are offered to improve the situation of small enterprises in the regions of the country.

### KEYWORDS

Small business, private entrepreneurship, regional development, economic features, government support, socio-cultural factors, economic factors, successful practices, challenges and problems, development prospects.

### INTRODUCTION

In recent years, the Government of Uzbekistan has been implementing reforms aimed at liberalizing the

economy, attracting foreign investment and developing the private sector. These efforts are

accompanied by sustained economic growth and an improved investment climate.

Small business and private entrepreneurship play a key role in the economic development of Uzbekistan. This sector of the economy contributes to increasing employment, stimulates innovation, and promotes the expansion of production and markets for goods and services. In addition, the development of small businesses contributes to reducing poverty, improving the standard of living of the population and the formation of a stable and diversified economy.

It is important to note that small business is the basis for creating new jobs and integrating local communities into the economic process. Therefore, state support and stimulation of small business development are of strategic importance for the economic development of Uzbekistan as a whole.

The purpose of the article "Peculiarities of the development of small business and private entrepreneurship in the regions of the Republic of Uzbekistan" is to analyze and discuss specific factors affecting the development of small business in various regions of Uzbekistan, to identify factors contributing to or hindering the development of small business in the regions of Uzbekistan, as well as to offer practical recommendations for creating a favorable environment for development small business in the country.

### MAIN PART

In the light of Uzbekistan's Strategy for 2030, small business and private entrepreneurship are becoming key factors determining economic development and the creation of a sustainable economy in the country. These sectors are not only the engine of economic growth, but also contribute to improving competitiveness, innovation and social stability.

One of the main principles of Uzbekistan's Strategy for 2030 is the creation of a modern, innovative and diversified economy. In this context, small business plays an important role as the main source of innovation and innovation. Entrepreneurial ideas and startups are becoming the driving force behind the development of new technologies, services and products, contributing to economic growth and improving its competitiveness on the global stage.

Moreover, small business is the main source of job creation in the economy of Uzbekistan. According to the National Statistical Committee, in recent years, small and medium-sized enterprises have provided up to 70% of the total number of jobs in the country. This highlights the importance of small businesses in solving social problems such as poverty and unemployment and ensuring stability in society.

However, despite the important role of small businesses, this sector also faces a number of challenges and obstacles. One of the key challenges is limited access to finance and loans for small businesses. In this context, the implementation of the Strategy of Uzbekistan for 2030 involves the

development and implementation of financing support mechanisms for small and medium-sized enterprises, including government support programs, the development of alternative sources of financing and improvement of the investment climate in the country. Another important aspect is the development of infrastructure and improvement of the business environment for small businesses. This includes creating a favorable legal environment, simplifying administrative procedures, reducing bureaucratic barriers and increasing the availability of high-quality support services for entrepreneurs.

Thus, small business and private entrepreneurship play an important role in the economic development of Uzbekistan in the context of its strategy for 2030. The implementation of the strategy involves creating a favorable environment for the development of entrepreneurship, ensuring access to finance and investment, as well as supporting innovation and competitiveness of the small business sector. This will allow the country to achieve sustainable and long-term economic growth, improve the quality of life of citizens and strengthen its position on the world stage. Small business is an important engine of Uzbekistan's economic development in various regions of the country. In each region, small enterprises perform a number of functions that contribute not only to economic growth, but also to the social well-being of local communities.

In rural areas, small farms and craft workshops play a key role in maintaining agricultural production and preserving traditional crafts. In urban areas, small businesses such as shops, restaurants, repair and construction services provide access to goods and services, create jobs and form social infrastructure.

The development of small businesses in the regions of Uzbekistan depends on a number of factors. One of the key issues is access to finance and loans. In some remote areas, access to financial resources may be limited, which makes it difficult to develop entrepreneurship. In addition, infrastructure, the quality of education, the availability of qualified personnel and the availability of sales markets also have an impact on the development of small businesses. The benefits for small business development in the regions include lower rental and labor costs, as well as higher demand for local goods and services. In addition, there is often less competition in the regions, which can contribute to the successful start of a new business. However, there are also limitations, such as limited access to qualified personnel, insufficient infrastructure and transport network, as well as limited markets for some goods and services. These factors can make it difficult for small businesses to develop in the regions and require additional government support and investment.

Small businesses in the regions of Uzbekistan face a number of challenges that hinder their development and growth. One of the main challenges is limited

access to financial resources and loans. In remote areas of the country, banking services may be unavailable or insufficiently accessible to entrepreneurs, which makes it difficult to expand business and invest in new projects.

Another challenge is the shortage of qualified personnel. In some regions of Uzbekistan, it may be difficult to find workers with the necessary skills and knowledge, which limits business development opportunities. In addition, the lack of developed infrastructure, limited access to sales markets and high administrative barriers are also challenges faced by entrepreneurs in the regions of Uzbekistan. Despite the challenges, small businesses in the regions of Uzbekistan have development prospects that are related to global trends and changes in the global economy. One of these prospects is the growth of digitalization and the development of online business. In the modern world, digital technologies open up new opportunities for small businesses, allowing them to expand sales markets and improve the efficiency of business processes.

There is also potential for the development of small businesses in the sector of environmentally friendly technologies and products. With increasing awareness of environmental issues and sustainable development, the demand for environmentally friendly goods and services is growing, which creates new opportunities for small businesses.

## Scientific and theoretical proposal and recommendations.

To improve the situation of small businesses in the regions of Uzbekistan, it is necessary to take a number of measures and implement the following recommendations:

- development of financial infrastructure and expansion of entrepreneurs' access to financial resources and loans.
- professional development of the workforce through educational programs and training courses.
- improvement of infrastructure, including transport and communications, to facilitate business.

The implementation of these measures will help create a more favorable environment for the development of small businesses in the regions of Uzbekistan and contribute to the sustainable economic development of the country. In the modern economy of Uzbekistan, the development of small businesses in the regions plays a key role in the sustainable economic growth and social development of the country. Despite the diverse challenges faced by entrepreneurs, there are certain prospects and resources that can be used to achieve success in this area.

Regional initiatives, successful practices and government support play an important role in stimulating the development of small businesses. The experience of entrepreneurs adapting to changing market conditions is also a valuable source of lessons and inspiration.

Supporting small businesses in the country's regions will help ensure a more even distribution of economic growth and promote the integration of remote and low-income areas into the economic process. This, in turn, helps to reduce social and economic inequalities and create conditions for sustainable development throughout the country.

The development of small business and private entrepreneurship in the regions of the Republic of Uzbekistan plays a key role in the implementation of national strategic goals set out in the Strategy of Uzbekistan 2030. This strategy, focused on creating a modern, innovative and diversified economy, recognizes the importance of small business development as one of the pillars of sustainable economic growth. In general, the development of small businesses is a necessary and important element of Uzbekistan's economic development strategy, which requires constant attention and support from the government, the business community and society as a whole.

In the 2030 strategy, special attention is paid to the development of the regional economy, which emphasizes the importance of supporting and stimulating small businesses at the local level. Regional economic diversification and the creation of equal opportunities for entrepreneurs in different regions are becoming key objectives within the framework of the strategy.

One of the priorities of the strategy is to improve the investment climate and provide access to financial resources for small businesses. This includes the creation of specialized financial instruments, the promotion of the development of local financial markets and the improvement of state support mechanisms for entrepreneurs. In addition, the 2030 Strategy emphasizes the importance of human capital development through education, training and support for innovation. This creates favorable conditions for the growth of small businesses based on knowledge and innovation.

### CONCLUSION

In conclusion, the development of small business and private entrepreneurship in the regions of Uzbekistan directly corresponds to the country's strategic priorities on the way to achieving sustainable economic growth and improving the quality of life of citizens. The implementation of the provisions of the Strategy of Uzbekistan 2030 requires joint efforts of the government, the business community and society as a whole to create a favorable environment for the development of small businesses in all regions of the country.

### REFERENCES

1. Decree of the President of the Republic of Uzbekistan "On measures to further improve the system of support for small businesses and private entrepreneurship" dated February 27, 2020 No RP -5953



2. "The main directions for further improvement of the support system for small business and private entrepreneurship in Uzbekistan" - a study conducted by the Ministry of Economy and Industry of the Republic of Uzbekistan
3. "Support for small and medium-sized enterprises: foreign experience and opportunities for its adaptation in Uzbekistan" - a study prepared by the Center for International Development Studies

